Message Text

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INFO OCT-01 ARA-06 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05 EB-07 OMB-01 TRSE-00 /078 W ------042302Z 003751/12

R 042233Z MAY 77 FM AMEMBASSY MEXICO TO SECSTATE WASHDC 1927 INFO USMISSION USUN NEW YORK USMISSION GENEVA

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EO 11652: GDS
TAGS: EAID, UNDP

SUBJECT: UNDP: COMMENTS OF ACTING RESIDENT REPRESENTATIVE

IN MEXICO ON FUTURE OF UNDP

REF: STATE 086320

- 1. UNDP ACTING RESIDENT REPRESENTATIVE IN MEXICO IS U.S. CITIZEN MR. BEN GURMAN. POINTS IN PARAS 5 AND 6 OF REFTEL WERE DISCUSSED WITH HIM AND HE WAS QUITE FORTH-COMING IN HIS COMMENTS.
- 2. FOLLOWING POINTS WERE MADE BY GURMAN AND ARE KEYED TO PARA 5 OF REFTEL:
- (A) HE RECOGNIZES PROBLEM OF EVALUATION AND FEEDBACK AND AGREES THAT MORE COORDINATION IS BOTH DESIRABLE AND POSSIBLE. HE FEELS THAT PROLIFERATION OF SPECIALIZED AGENCIES AND DIVERSE WAYS OF HANDLING AND STORING INFORMATION IS MAJOR OBSTACLE AND SUGGESTS THAT SYSTEM COULD USE SOME OUTSIDE ADVICE IN EFFORT OBTAIN UNIFORMITY. ON POSITIVE SIDE, HE SUBMITS THAT THERE IS SOME EVALUATION AND FEEDBACK TAKING PLACE NOW AND POINTS OUT THAT THERE CONFIDENTIAL

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IS CONSIDERABLE AMOUNT OF INFORMATION BEING FED INTO HIS OFFICE WHICH USED FOR THIS PURPOSE. ON RELATED SUBJECT, HE ALSO FEELS THAT MORE FOLLOW-UP EVALUATION IS NEEDED ON COMPLETED PROJECTS. THIS IS BEING DONE FAIRLY CONSISTENTLY ON INVESTMENT PROMOTION PROJECTS (WHICH LEND THEMSELVES MORE EASILY TO MEASUREMENT IN QUANTITATIVE TERMS), BUT IS RARELY DONE IN INSTITUTION-BUILDING

PROJECTS.

(B) PROBLEM OF COORDINATION IS TOUCHY SUBJECT.
CONSENSUS REACHED IN 1970, FOLLOWING RECOMMENDATIONS MADE
IN JACKSON REPORT, WAS THAT UNDP SHOULD BE COORDINATOR
OF ALL UN DEVELOPMENT OPERATIONS. THIS IDEA NOW BEING
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QUESTIONED BY SPECIALIZED AGENCIES AND IS IN FACT NOT BEING ADHERED TO, PRIMARILY DUE TO UNRELIABILITY OF UNDP FUNDS. FAO, FOR EXAMPLE, HAS NOW ESTABLISHED THEIR OWN TECHNICAL ASSISTANCE FUND IN MEXICO, WHICH REPRESENTS CLEAR BREAK FROM TOTAL DEPENDENCY ON UNDP FUNDS. PROBLEM IS, HOWEVER, FOUND MORE AT THE HEADQUARTERS LEVEL THAN AT THE FIELD LEVEL. RESIDENT REPRESENTATIVE IN MEXICO IS USUALLY REGARDED AS COORDINATOR OF UN PROGRAMS, BOTH BY OTHER UN COMPONENTS AND BY MEXICAN GOVERNMENT OFFICIALS. BUT, GURMAN FEELS THAT IF THERE IS WIDE DISPERSION OF FUNDS AMONG SPECIALIZED AGENCIES, COORDINATION WOULD BECOME CONSIDERABLY MORE DIFFICULT AND VERY NEED FOR UNDP'S EXISTENCE COULD BE QUESTIONED.

(C) ON FUTURE ROLE OF UNDP IN COORDINATING AND ASSESSING OVERALL DEVELOPMENT NEEDS, GURMAN FEELS THAT UNDP CAN CONTINUE TO HANDLE COORDINATION AND ASSESSMENT OF UN FUNCTIONS. HE STRESSES, HOWEVER, THAT QUALIFYING REMARKS ARE IN ORDER. FIRST, IN ANY GIVEN COUNTRY IT IS THE LOCAL GOVERNMENT WHICH HAS REAL RESPONSIBILITY FOR COORDINATION AND ASSESSMENT OF OVERALL DEVELOPMENT NEEDS. CONFIDENTIAL

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UNDP IS ENCOURAGING GOVERNMENTS TO ASSUME THIS ROLE AND TO THINK IN LONGER TERMS. SECONDLY, TERM "OVERALL DEVELOPMENT" GOES FAR BEYOND TECHNICAL ASSISTANCE PROGRAMS THAT UNDP CONCERNED WITH; AND UNDP SHOULD NOT GO BEYOND CONCERN FOR TECHNICAL ASSISTANCE. IT SHOULD NOT, FOR EXAMPLE, GET INVOLVED IN SUCH THINGS AS MAKING GENERAL ASSESSMENTS OF HOST COUNTRY'S ENTIRE ECONOMY. ALSO, UNDP WOULD BE OUT OF PLACE IN ATTEMPTING TO COORDINATE ALL BILATERAL ASSISTANCE PROGRAMS.

(D) ON QUESTION OF ACHIEVING MORE, AND MORE DEPEND-ABLE FUNDING, GURMAN ASSURES THAT UNDP WOULD BE DELIGHTED TO HAVE CONTRIBUTIONS OF LONGER TERMS. HE FEELS THAT INSISTENCE OF THE U.S. CONGRESS ON YEARLY REVIEWS, AND FACT THAT UNDP IS ONLY UN AGENCY WHICH ENTIRELY DEPENDENT ON VOLUNTARY CONTRIBUTIONS, PLACES IT IN MOST VULNERABLE POSITION. UNDP IS CURRENTLY ASSUMING A 14 YEARLY INCREASE IN ITS BUDGET, AND IF THE INCREASED FUNDS ARE NOT FORTHCOMING THERE WILL BE A VERITABLE CRISIS, AND

FURTHER DETERIORATION OF CONFIDENCE IN UNDP BY SPECIALIZED AGENCIES. GURMAN WAS VERY CHARY ABOUT PROSPECTS FOR OBTAINING ADDITIONAL OPEC CONTRIBUTIONS SINCE HE FEELS THEY WOULD ALWAYS BE TIED TO POLITICAL CONCESSIONS. HE FEELS CERTAIN THAT A LARGE OPEC CONTRIBUTION WOULD BE EXTREMELY TROUBLESOME. THE QUESTION BOILS DOWN TO: HOW MUCH WOULD UNDP BE WILLING TO SACRIFICE IN ORDER OBTAIN IT? ON THE QUESTION OF COST SHARING, IT IS DIFFICULT CONFIDENTIAL

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FOR MOST GOVERNMENTS TO SEE WHY 12 OF THEIR CONTRIBUTIONS MUST GO TO THE ADMINISTERING AGENCY FOR ADMINISTRATION COSTS. UNDP HAS THE CONTINUAL TASK OF DEMONSTRATING TO THEM THE ADVANTAGES OF USING UNDP ASSISTANCE RATHER THAN ATTEMPTING TO DO THE SAME JOB ALONE. AND, IN THIS REGARD, UNDP IS IN FACT ATTEMPTING TO USE NATIONAL CAPACITIES WHENEVER FEASIBLE. THIS IS FOLLOWING THEIR RECENTLY ADOPTED "NEW DIMENSIONS" APPROACH. THERE ARE SOME POLITICAL RISKS IN CONTRACTING LOCAL ORGANIZATIONS AND INDIVIDUALS, AND UNDP WAS PREVIOUSLY PROHIBITED FROM DOING IT. THEY HAVE NOW DECIDED THAT THERE ARE CONSIDERABLE ADVANTAGES IN USING LOCAL CAPACITIES IN SOME SITUATIONS.

(E) ON QUESTION OF WHETHER THERE SHOULD BE A SINGLE GENERAL UNDP FUND, GURMAN FEELS THERE DEFINITELY SHOULD BE. HE POINTS OUT THAT UNDP IS AIMED AT NO PARTICULAR

NARROWLY DEFINED GOAL AND HAS NO SINGLE PROGRAM OR SPECIALIZED AGENCY TO WHICH IT OWES ITS ALLEGIANCE. IT IS THEREFORE ORIENTED COMPLETELY TOWARD SERVING LEGITIMATE NEEDS OF THE LOCAL GOVERNMENT, WHATEVER THEY MAY BE.

3. GURMAN HAD THE FOLLOWING OBSERVATIONS ON POINTS CONFIDENTIAL CONFIDENTIAL

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DRAWN FROM PARA 6:

- (A) AS TO WHERE UNDP SHOULD FOCUS ATTENTION, HE SAID THAT DECISION HAS ALREADY BEEN TAKEN TO PLACE MOST RESOURCES IN LEAST DEVELOPED COUNTRIES. MANY OF MORE DEVELOPED LDC'S WILL BENEFIT FROM REGIONAL PROJECTS, WITH LATIN AMERICA BEING GOOD EXAMPLE. REGIONAL PROJECTS MAY INDEED BECOME TREND IN LATIN AMERICA. HE POINTS OUT THAT NOBODY IS CONSIDERING INCREASING THE SIZE OF THE PROGRAM IN MEXICO, FOR EXAMPLE, AND THAT INFLATIONARY EFFECTS WILL IN FACT RESULT IN REDUCTION IN FUNDING IN REAL TERMS. NEW DIMENSIONS CONCEPT OF UTILIZING NATIONAL CAPACITIES (PARA 2(D) ABOVE) WOULD ALSO BECOME MORE APPROPRIATE IN MORE DEVELOPED COUNTRIES, AS WOULD THE TCDC (TECHNICAL COOPERATION BETWEEN DEVELOPING COUNTRIES) PROGRAMS. THERE ARE, IN ADDITION, MANY AREAS OF SOPHISTICATED TECHNOLOGY IN WHICH UNDP WILL BE ABLE ASSIST MORE DEVELOPED LDC'S. AS FAR AS COST SHARING ASPECT, HE REPEATS THAT MAIN TASK FACING UNDP IS TO CONVINCE HOST GOVERNMENTS OF BENEFITS. NO MAJOR RESTRUCTURING IS REQUIRED FOR ASSISTANCE TO MORE DEVELOPED LDC'S, BUT ONLY SOME DEGREE OF REORIENTATION.
- (B) AS FOR PROBLEM OF OVERBURDENING PAPERWORK, GURMAN SAID THAT MEETINGS OF GOVERNING COUNCIL WILL BE REDUCED FROM TWO TO ONE A YEAR. HE ALSO BELIEVES THAT REPORTING FROM MEETINGS COULD BE CONSIDERABLY LESS DETAILED. ANOTHER PROBLEM, TO WHICH HE OFFERS NO SOLUTION, IS REQUIREMENT FOR TRANSLATING ALL IMPORTANT DOCUMENTS INTO FIVE LANGUAGES.
- (C) AS FOR THE CURRENT FOCUS ON COUNTRY PROGRAMS, HE FEELS THIS WILL CONTINUE TO BE PRIMARY BUT THAT COUNTRY PROGRAMS WILL BECOME MORE SIMPLE AND CONCISE. AS NOTED ABOVE, THERE IS GROWING EMPHASIS ON REGIONAL PROGRAMS IN SOME AREAS.

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4. COMMENT: EMBASSY HAS REASON TO BELIEVE THAT GOM NOW CAREFULLY REVIEWING ALL MULTILATERAL PARTICIPATION FROM

VIEWPOINT OF COST-BENEFIT ADVANTAGES TO MEXICO. SPECIFICALLY, GOM IS FACTORING IN ITS FUTURE POSITION AS AN OIL EXPORTER AND ANY OBLIGATIONS WHICH MAY FOLLOW FROM THAT. WE HAVE THEREFORE DECIDED NOT TO APPROACH FOREIGN MINISTRY OFFICIALS ON SUBJECT MATTER AT THIS TIME. THOMPSON

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